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# TREES A MONEY CROP



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# TIMBER HELPS FINANCE THE FARMER

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WOODLANDS often occupy a substantial part of the farm area. This resource is interwoven with the farm business and management and provides a part of the regular farm income.

Timber is a crop. It differs from other crops only in the length of its growing period, or age at maturity for market.

To enable one to obtain security or credit, wood and timber on the farm have some definite advantages. They make certain types of land an asset instead of a liability. This is because the lands, unfit for any other use, are utilized and bring in an income. Timber growing banishes waste spaces and gives better balance to the farm crops.

Timber comprises a farm crop that has steadily increased in value, while others have in some years been subject to ruinous prices. Timber and wood bid fair to continue to gain in value.

The timber crop readily responds to

care and improved methods of management. For example: A 100-acre tract of woodland that is to-day bringing in an income warranting a valuation of \$2,000, can be doubled in value by protection from fire and better practices of cutting. This is a big consideration when it comes to paying off a long-term mortgage.

The woodland crop is the only crop on the farm that is held by the first mortgage. In other words, the first mortgage amounts to a crop mortgage when secured by timber.

Wood and timber gain in volume even though a farm may be abandoned. While other income may fall very low or cease altogether, the timber crop continues to gain. This feature is important in maintaining the value of the farm in the face of the town industries which tend to lead the farmer away from agriculture and cause him to neglect his farm business.

The timber crop furnishes winter work at a time when men and teams are not otherwise profitably employed. It thus permits a better balanced farm unit, lowering the cost of production of all the crops grown on the farm.

As long as a stand of merchantable timber remains untouched, it is a liquid asset. This is a big advantage from a credit standpoint. Farms with merchantable young growing timber sell much more readily than those without timber. In many districts a farm from which the timber has been stripped is almost unsalable.

Many farm loans have been made possible because the woodlands were of such value as to form an important part of the security. The Federal Land Bank of Springfield, Mass., requires that its borrowers obtain permits to cut or remove wood or timber, except for domestic use. Many such permits have been granted.

The experience of the owner of a 300-acre farm in Vermont is an example of how timber helps to reduce a mortgage. In quality, the farm was average to rather poor. There were 100 acres in woodland, and the remainder was in cultivation or pasture; the buildings were fairly good. A loan of \$3,400 was granted on the farm. Six years later the borrower was granted a permit to cut 80,000 board feet of lumber.





He paid one-half the gross proceeds of about \$2,400 on the mortgage, thereby materially helping his own financial condition and making the loan a very safe one for the bank. The borrower used his own men and teams for the logging operation, which helped him to apply as much as one-half of the gross proceeds to the mortgage.

The statements given above show clearly why timber is recognized as an important crop and woodland in good condition as a valuable asset to the average farm. Also why banks are dealing with the question of timber on farms. The principles are general in character and widely applicable over the eastern and southern portions of the country.

(From an article by E. H. Thomson, President Federal Land Bank of Springfield, Mass., printed in the Journal of Forestry for April, 1926.)



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